

Salary/Career Survey

Average manager's salary tops \$92,000; raises pace inflation

The average salary for OR nursing leaders tops \$92,000 this year. A third of the leaders are making more than \$100,000 a year. Raises in the past year ran neck-and-neck with the Consumer Price Index, averaging 4%. But OR managers and directors did better on salary increases than managers and professionals in the nation as a whole, who averaged raises of 2.8%, according to the US Department of Labor.

OR managers and directors have major budgetary responsibility in surgery, overseeing on average operating budgets of \$19 million. They continue to have clout in purchasing decisions, saying they are closely involved and often take the lead.

These are results from the 2006 annual *OR Manager* Salary/Career Survey. The survey was mailed in May to a random sample of 1,200 *OR Manager* subscribers with 266 returned for a rate of 22%. A separate survey was sent to ambulatory surgery centers (see p 29). Results on purchasing power will be in the November *OR Manager*.

Salaries and raises

The average annual salary for all respondents is \$92,680. The highest salary is \$180,000, reported by a director from a community hospital in the South who manages multiple departments. The lowest, \$40,000, is from a community hospital in the Central region. The East had the highest average salary—\$97,010.

Directors at teaching hospitals and the largest ORs (10+ rooms) reported average salaries of over \$100,000.

A few (13%) earn less than \$70,000. This is most common in the Central states and in small ORs with 1 to 5 rooms.

Nearly all respondents (92%) say they received a salary increase in the past year. At 4%, the average raise didn't quite match inflation, which ran 4.3% for the year ending in June, and just barely edged out last year's average of 3.8%.

Raises varied little by region or type of facility. Leaders of the largest ORs had the highest average increase.

Raises by size of OR

1-5 ORs	3.8%
6-9 ORs	3.7%
10+ ORs	4.3%

Bonuses

Forty percent reported they are eligible for an incentive bonus or profit sharing, little changed from 39% 5 years ago.

The average bonus was 8% of base salary.

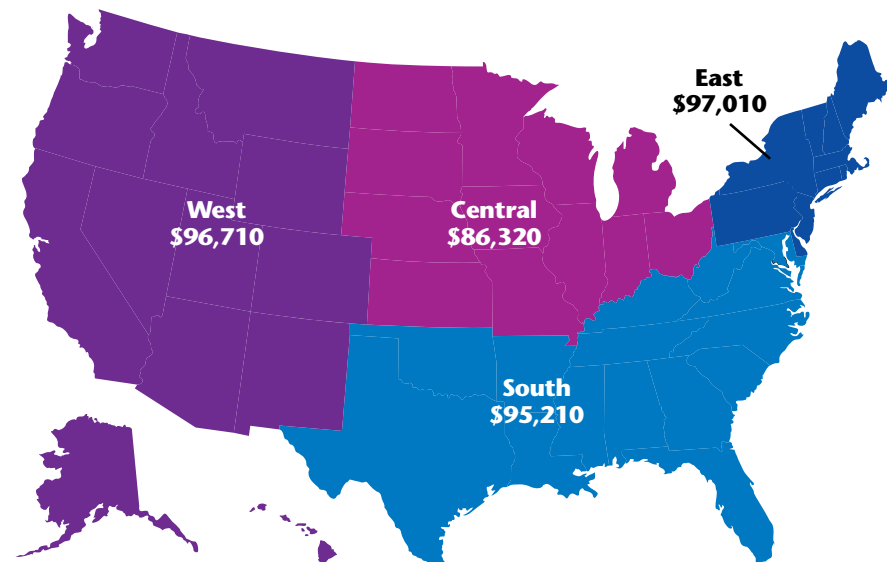
Of those eligible, respondents from the Central states (40%) and the South

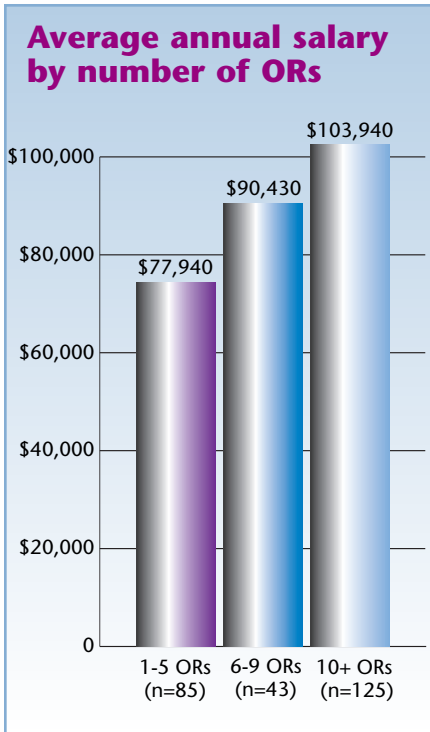
Profile of the typical OR manager

The typical manager of a hospital OR in the *OR Manager* Salary/Career Survey:

- Earns an annual base salary of \$94,890 for an OR director and \$80,870 for an OR nurse manager
- Received a raise of 4% of base salary
- Holds the title of director of surgical services
- Works in a community nonteaching hospital (68%) with an average of 11 staffed ORs
- Manages 6 departments
- Oversees 82.7 clinical and 21.1 nonclinical FTEs
- Is responsible for an operating budget of \$19 million.

Average annual salary by region





(48%) were the most likely to report being eligible for an incentive bonus.

Leaders are more likely to receive a bonus if they manage the ORs plus other departments (41%) and have the title director (41%) rather than nurse manager (23%). The amount of the bonus was higher for those managing the ORs plus other departments, at 8% (n=69), than for those managing the OR only, at 6% (n=4).

Half of directors of large ORs are eligible for a bonus.

Those receiving bonuses by size of OR

1-5 ORs	31%
6-9 ORs	34%
10+ ORs	50%

Benefits

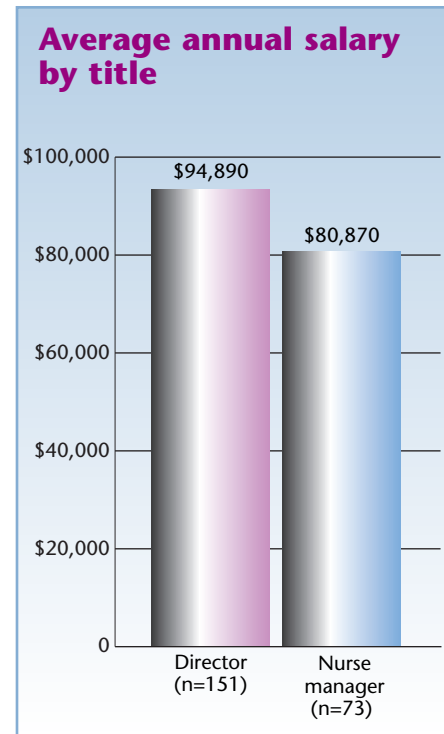
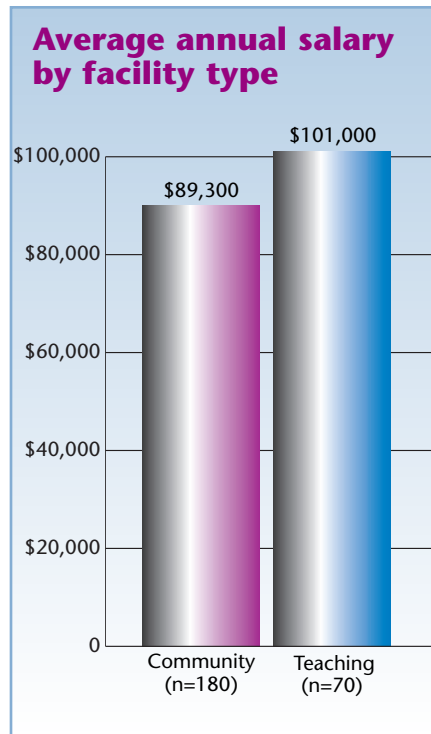
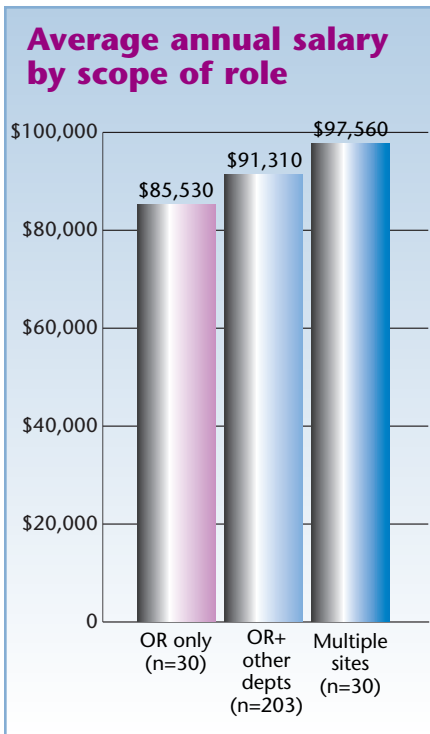
Benefits have changed little in the past 5 years. Two benefits that are more common are dependent health insurance and eye care.

Many report they are paying a higher portion of their insurance premiums or have higher copays or deductibles.

Among other benefits in addition to those listed are a concierge service, flexible spending accounts, 401k plans, and bonus plans for long-term employees reaching their 15-, 20-, and 25-year employment anniversaries.

2006 2001

Health insurance	99%	99%
Paid time off	99%	97%
Life insurance	97%	96%
Retirement plan	94%	91%
Dental insurance	95%	93%
Tuition reimb	91%	90%
Disability ins	86%	85%
Dependent health insurance	83%	79%
Eye care	77%	56%



About your organization

Most of the survey's respondents (68%) work in community hospitals, while 27% are in teaching hospitals, and the remainder in another type, such as military, Veterans Affairs, or specialty facilities. Respondents are about equally divided among urban (33%), suburban (32%), and rural (36%) locales. In all, 87% are employed by not-for-profit organizations, and 13% are in for-profit facilities.

About your role

Title and work area. The most common title for respondents is director (58%), followed by nurse manager (28%).

In their titles, most refer to their work area as surgical services (51%), followed by perioperative services (28%), and the operating room (14%).

Reporting structure. Most respondents (69%) report to the nursing administration, with about one-fourth (26%) reporting to the hospital administration, and the remainder to some other entity.

Leaders in teaching hospitals are much more likely to report to the hospital administration than those in community hospitals, 41% versus 20%. The larger the department, the more likely the director is to report to the hospital administration:

- 10+ ORs: 37% (n=47)
- 6-9 ORs: 21% (n=9)
- 1-5 ORs: 9% (n=8)

Managing beyond the OR. For most respondents, their role extends beyond the OR and even the facility. The largest group (77%) manages the OR and other departments in a single hospital. These leaders oversee on average:

Changing profile of OR managers

	2006	2001	1996
The typical OR manager or director in a hospital...			
is paid an average annual salary	\$92,680	\$79,555	\$59,720
reports to nursing administration	69%	64%	62%
is eligible for incentive bonus	40%	39%	34%
manages an OR with a management information system	91%	82%	66%
manages more clinical FTEs	83%	79%	56%
has a master's degree	40%	39%	34%

Source: OR Manager, Inc.

Do you have an OR business manager?

In all, 28% of survey respondents have an OR business manager. The position is most common in larger ORs and teaching hospitals.

By type of facility

Teaching	Community
49%	21%

By number of ORs

1-5	6-9	10+
6%	14%	48%

- 10 ORs
- 5 departments
- 76 clinical and 18 nonclinical FTEs
- an annual OR budget of \$15.7 million for operating expenses, \$1.3 million for capital, and \$4 million for personnel.

Another 11% of respondents manage multiple departments at more than 1 facility.

About the operating room

Surgical volume. The average annual surgical volume for respondents is 8,404 cases. A little more than half (52%) say their volume has increased, the same as in 2005 but lower than the 63% in 2001. On average, volume had increased by 8%.

Surgical volume by size of OR

1-5 ORs	2,589
6-9 ORs	5,807
10+ ORs	13,317

Number of ORs. Those with the title "director" manage an average of 11 ORs, while those with the title "nurse manager" oversee an average of 10 ORs.

Annual budget. Surgical services directors have a large financial responsibility, overseeing for all of the ORs they manage an average:

- operating budget of \$19.0 million
- capital budget of \$17.4 million
- personnel (salary) budget of \$4.9 million.

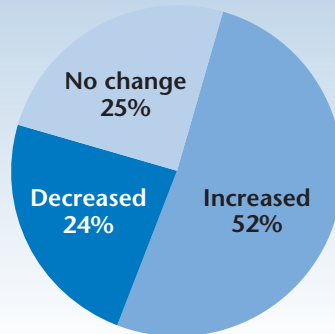
Average annual operating budget managed

Director	\$18.3 million
Nurse manager	\$10.5 million

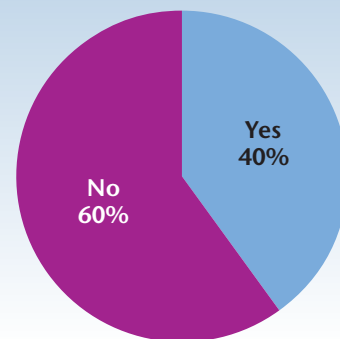
How many sites do you manage?

	By title Director (n=153)	Manager (n=73)
OR only within one hospital	5%	32%
OR & other depts within one hospital	85%	63%
OR only at multiple sites	0%	1%
OR & other depts at multiple sites	10%	4%

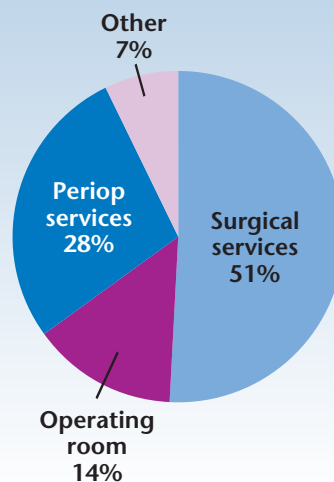
Has surgical volume increased?



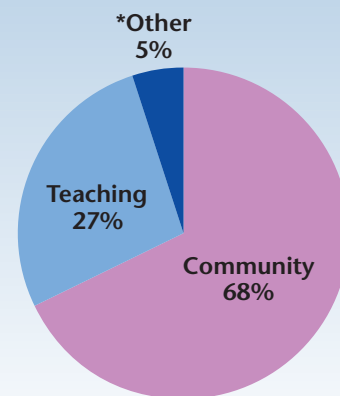
Are you eligible for a bonus or profit sharing?



In your title, what is your work area?



What is your organization type?



*Other types of facilities include specialty, military, and Veterans Affairs hospitals.

How many clinical FTEs are under your span of control?

	By facility type		By number of ORs			By title	
	Community	Teaching	1-5	6-9	10+	Director	Manager
Clinical	65.7	129.7	27.0	53.5	130.5	81.1	51.2
Nonclinical	18.2	29.6	5.7	14.2	32.5	19.3	12.6

What is the annual budget for the ORs (in millions)?

	By facility type		By number of ORs		
	Community	Teaching	1-5	6-9	10+
Operating	\$11.7	\$35.4	\$3.3	\$10.5	\$30.8
Capital	\$0.9	\$3.8	\$0.4	\$0.6	\$2.8
Personnel	\$3.0	\$9.9	\$0.8	\$2.4	\$8.1

Which other departments report to you?

	2001	2006
Postanesthesia care	92%	87%
Outpatient surgery	81%	75%
Central processing	74%	68%
GI/endoscopy	70%	61%
Preadmission services	60%	56%
Anesthesia support personnel	NA	57%
Perfusion services	NA	19%
Materials management for OR	NA	39%
Inpatient unit	NA	5%
Cardiac cath lab	6%	4%
Emergency room/trauma services	3%	3%
ICU	NA	3%

NA = not asked. Among other departments managed are scheduling, pain management, office staff, wound care/ostomy, IV therapy, dialysis, and the family waiting area.

About you

Age and gender. The average age of respondents is now 51.4 years, up from 49 in 2001, and 60% are over 50.

In all, 15% of respondents to this year's survey are male, up from 11% 5 years ago. Only 5 (less than 1%) are not RNs.

Education. Of all respondents, 40% have master's degrees, and 37% have bachelor's degrees as their highest degrees. The remainder have a diploma (12%) or an associate degree (11%).

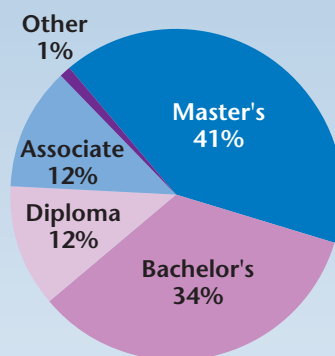
Types of master's degree reported are:

- MS or MSN: 51%
- MBA: 26%
- Another master's: 23%.

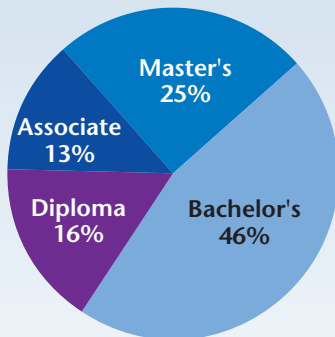
Of those with bachelor's degrees, 71% have a BSN, and 29% have another type of bachelor's.

Highest Degree

Directors



Managers



Average age

2006	51
2004	51
2002	50
2000	48

Majority have computers in each OR

The majority of hospital ORs (58%) now have a computer in each operating room. That reaches 76% for teaching hospitals. Less than 1 in 10 do not have an automated information system. The top three uses of the computers in each OR are:

- patient documentation
- laboratory data
- order entry.

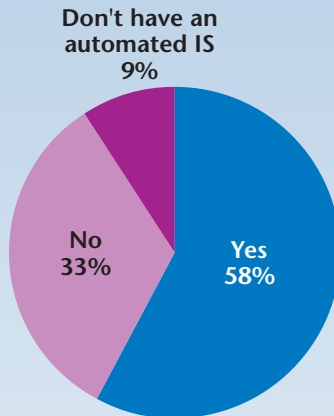
Fewer than 1 in 5 uses OR-based computers for inventory control.

The majority (53%) have a dedicated information specialist to help manage their system. For 66% of these, the specialist is in the OR department rather than the IT department.

The computer in each OR is used for . . .

Intraop patient documentation	78%
Laboratory data	72%
Order entry	60%
PACS (imaging)	54%
Patient charges	48%
Policy & procedure manual	47%
Inventory control	17%

Is there a computer in each operating room?



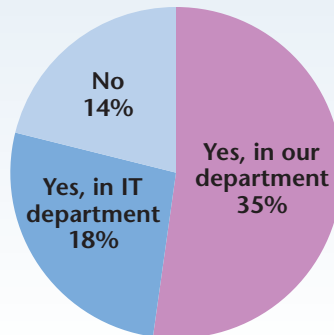
By type of facility

Teaching	76%	Community	51%
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By number of ORs

1-5	6-9	10+
49%	54%	67%

Does the OR have a dedicated IS specialist?



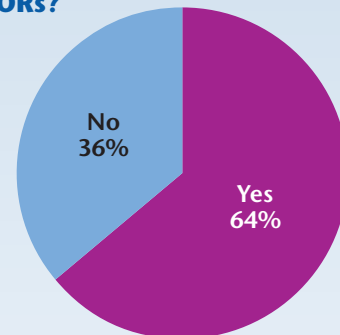
A building boom for ORs

The building boom for ORs is rolling along. Nearly two-thirds (64%) of survey respondents say they are adding or planning to add new ORs—a jump from 54% last year. The top reasons for building:

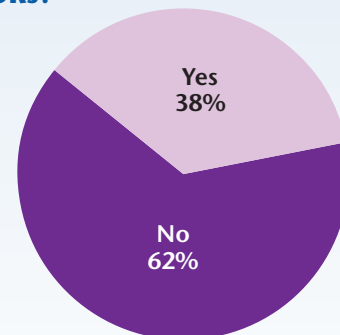
- increase capacity: 58%
- accommodate new technology: 45%
- replace an old facility: 35%.

More than one-third (38%) are renovating. The main reason, named by two-thirds, is to accommodate new technology. Another 25% are remodeling to meet structural requirements, and 33% are doing so for other reasons.

Are you currently adding or planning to add new ORs?



Are you currently renovating or planning to renovate ORs?



Hospital respondents to survey

Region	Distribution	Response
East	219	15%
South	369	27%
Central	372	36%
West	240	21%

The response percentage in the September issue was incorrect. These are the correct figures.

Thank you

OR Manager thanks its subscribers who took time to complete this year's survey. We appreciate your part in gathering this information, which will be useful to your colleagues around the country.

Salary/Career Survey director

Billie Fernsebner, RN, MSN, education specialist for OR Manager, Inc, has coordinated the OR Manager Salary/Career Survey for the past 10 years.

Over half of those managing large ORs have master's degrees.

Highest degree for those running 10+ ORs

Master's	54%
Bachelor's	37%
Associate	4%
Diploma	4%
Doctorate	1%

Nearly two-thirds (63%) of directors and nurse managers say their employer requires a specific degree for their position. For both directors and managers, the required degree is most likely to be a bachelor's.

Required degree

	Bachelor's	Master's
Directors	71%	28%
Nurse managers	89%	7%

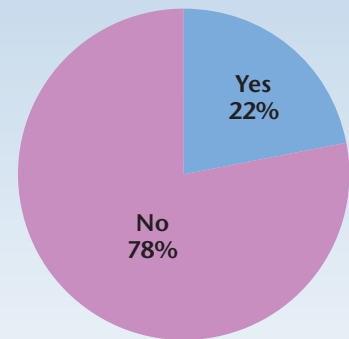


Rewarding the staff

More than 1 in 5 (22%) of survey respondents have a plan that rewards the staff financially for helping to improve performance or reduce supply costs. That's up from 18% last year when the question was first asked. Respondents described a variety of rewards:

- \$100 gift card for identifying savings over \$10,000
- possible bonus based on guest satisfaction scores
- a fund separate from the main hospital fund that is used for education, parties, and food
- cash bonus for ideas that improve patient safety
- gainsharing based on the hospital's financial performance
- percentage payout for achieving certain goals.

Does your facility reward staff financially for helping improve performance or reduce supply costs?



By type of facility

Teaching	21%	Community	22%
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By number of ORs

1-5	17%	6-9	23%	10+	24%
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Management positions tougher to fill

It's taking longer to find managers for the OR. On average, management vacancies take 14 weeks to fill, compared to 10 weeks in the 2005 survey. Recruitment takes longest in the West (15 weeks).

Only about 1 in 5 (19%) of respondents

have management openings. The average number of openings is 0.3.

While 44% filled their openings in 4 weeks or less, 47% said it took more than 4 weeks—with 27% saying it took more than 16 weeks.

Average number of weeks management positions have been open

	Type of facility		Region			
Overall	Community	Teaching	East	Central	South	West
14	14	14	11	14	14	15

